

Item 4.

Proposed Land Classification - 174-186 George Street, Sydney

File No: X004710

Summary

The purpose of this report is to obtain Council approval to notify a proposed resolution to classify as operational lands the lots occupied by the George Street Plaza, Plaza Building and Public Cycle Facility at 174-186 George Street, Sydney (the site).

In July 2016, the City of Sydney entered into a Planning Agreement with Lendlease Circular Quay Pty Limited (the Developer) in relation to the development at 174-186 George Street, Sydney.

The planning agreement includes public benefits for new community infrastructure, including dedication in stratum and construction of the George Street Plaza, the Plaza Building and the Public Cycle Facility.

The site currently comprises Lots 181 & 182 in Deposited Plan 606865, Lot 7 in Deposited Plan 629694, Lots 1 & 2 in Deposited Plan 880891 and Lots 2 & 3 in Deposited Plan 1213767.

A subdivision development application for the site was approved in August 2021. The development application proposes to consolidate the existing lots and create new lots.

Newly created Lot 103 - Plaza George Street, Lot 105 - Public Cycle Facility and Lot 106 - Plaza Building will be transferred by the Developer to the City in accordance with the Planning Agreement. It is recommended that these lots be classified as operational land to facilitate building operations and integration between the strata.

This report seeks Council's endorsement to notify a proposed resolution to classify the lots as operational land under the Local Government Act 1993.

Recommendation

It is resolved that:

- (A) Council endorse public notification of the proposed resolution: "It is resolved to classify three lots of land to be transferred to Council for future public purposes as a plaza, public cycle facility and community building - being proposed Lots 103, 105 and 106 in the land currently comprising Lots 181 & 182 in Deposited Plan 606865, Lot 7 in Deposited Plan 629694, Lots 1 & 2 in Deposited Plan 880891, and Lots 2 & 3 in Deposited Plan 1213767 - as operational land in accordance with section 31 of the Local Government Act 1993"; and
- (B) Council note that a further report to Council to inform of the outcomes of public notification and recommendation of the land classification will follow the notification period of 28 days.

Attachments

Attachment A. Identification Plan - Plan of Subdivision

Background

1. The Lendlease Circular Quay site is located within the Alfred, Pitt, Dalley and George Streets (APDG) block close to Circular Quay.
2. The site is a collection of properties with frontage to Pitt, Underwood and George Streets, including:
 - (a) Lots 181 & 182 in Deposited Plan 606865;
 - (b) Lot 7 in Deposited Plan 629694;
 - (c) Lots 1 & 2 in Deposited Plan 880891; and
 - (d) Lots 2 & 3 in Deposited Plan 1213767.
3. On 25 July 2016, Council resolved to execute a Planning Agreement with Lendlease (Circular Quay) Pty Limited as Trustee for the Lendlease (Circular Quay) Trust.
4. The Planning Agreement relates to a planning proposal to amend the Sydney Local Environmental Plan 2012 (SLEP 2012) to facilitate a taller commercial tower with reconfigured publicly accessible open space and activated laneways.
5. The amendment to the SLEP 2102 was made on 23 November 2016.
6. The Planning Agreement includes the following public benefits:
 - (a) Land dedication and embellishment of approximately 30m² for road and footway widening to Underwood Street.
 - (b) Land dedications to no less than 1,800m² and embellishment of public plaza spaces and laneways.
 - (c) Development and installation of public art to the public plaza space.
 - (d) Lease in stratum of nominally 3,700m² of net lettable area of office space for the purpose of business innovation space.
 - (e) Monetary contribution of \$2,200/m² by net lettable area estimated at \$8,140,000 for the fitout of the business innovation space.
 - (f) Dedication in stratum and embellishment of 677m² of a public cycle facility.
 - (g) Land dedication in stratum and construction and fitout of a small plaza edge building.
 - (h) Land transfer to the Developer of 395.6m² for building development.
 - (i) Easements and covenants to the commercial tower to deliver commercial floor space.
 - (j) Covenants for the protection of small-scale retail adjacent to the laneways.
 - (k) Commitment to environmental sustainable development in the commercial tower.

7. The Planning Agreement states that the George Street Cycle Facility Stratum and Community Building Stratum will be classified as operational land at Council's discretion.
8. On 14 May 2018, Council approved the election of the 20-year lease option for the business innovation space.
9. On 17 August 2021, a subdivision development application for the site was approved. The development application consolidates the existing lots and creates the following new lots:
 - (a) Lot 101 - Office Tower;
 - (b) Lot 102 - Jacksons on George;
 - (c) Lot 103 - Plaza George Street;
 - (d) Lot 104 - Plaza Building Retail;
 - (e) Lot 105 - Public Cycling Facility;
 - (f) Lot 106 - Plaza Building;
 - (g) Lot 107 - Office Tower Retail;
 - (h) Lot 108 - Jacksons on George Laneways Retail;
 - (i) Lot 109 - Storage/Utilities;
 - (j) Lot 110 - Proposed Laneways Road Dedication; and
 - (k) Lot 111 - Proposed Road Widening (Underwood Street).
10. Lot 103 - Plaza George Street, Lot 105 - Public Cycle Facility and Lot 106 - Plaza Building will be transferred by the Developer to the City as operational land in accordance with the Planning Agreement.
11. It is recommended that these lots be classified as operational land to facilitate operations within Lot 105 - Public Cycle Facility and Lot 106 - Plaza Building, and to facilitate operational integration between the stratum through Lot 103 - Plaza George Street.

Key Implications

Strategic Alignment - Sustainable Sydney 2030

12. Sustainable Sydney 2030 is a vision for the sustainable development of the City to 2030 and beyond. It includes 10 strategic directions to guide the future of the City, as well as 10 targets against which to measure progress. This report is aligned with the following strategic directions and objectives:
 - (a) Direction 3 - Integrated Transport for a Connected City - The Public Cycle Facility will encourage the use of cycling for transport.

- (b) Direction 5 - A Lively and Engaging City Centre - The Plaza Building includes artwork by an Indigenous artist and will allow community events to be held in the Central Business District.
- (c) Direction 10 - Implementation through Effective Governance and Partnerships - This public benefit is being delivered as work-in-kind as part of a Planning Agreement between the City and Lendlease (Circular Quay) Pty Limited.

Organisational Impact

- 13. There is no organisational impact arising from this proposed resolution to classify these lots as operational land.

Risks

- 14. No risks have been identified in classifying these lots as operational land.

Financial Implications

- 15. The classification of land under the Local Government Act 1993 does not have any direct budgetary implications. Once the abovementioned parcels of land are transferred to the City, they will be recognised as in-kind contributions income, and held as land assets in accordance with the City's Infrastructure, Property, Plant and Equipment (IPPE) Asset Recognition and Capitalisation Policy.

Relevant Legislation

- 16. The following sections of the Local Government Act 1993 are relevant:
 - (a) Section 25 requires all public land to be classified as either community or operational land;
 - (b) Section 31(2) permits Council to resolve to classify land prior to acquisition;
 - (c) In satisfaction of section 31(3), the proposed resolution is not inconsistent with the Planning Agreement (as registered on title) nor any other Act or the terms of any trust applying to the land; and
 - (d) Section 34 requires the proposed resolution to classify be publicly notified and made available for inspection by the public for a period of 28 days.

Critical Dates / Time Frames

- 17. The land needs to be classified within three months of transfer to the City or it automatically reverts to a community classification. As the land is proposed to transfer to the City in October 2022 the classification would need to be endorsed no later than late December 2022. The land may be classified as operational prior to transfer to the City.

Options

18. If the land is not classified as operational within three months of transfer to the City, it will revert to a community classification under the Local Government Act 1993. A community classification would restrict and impede the City's capacity to undertake the commercial operations and integration between stratum.

Public Consultation

19. Subject to Council endorsing the recommendation, the proposed resolution will be publicly notified as soon as possible for a minimum period of 28 days.
20. All submissions will be considered in a subsequent Council report to endorse the proposed operational classification.

KIM WOODBURY

Chief Operating Officer

Matthew Taylor, Development Manager